

Financial Inclusion Training Programme
“Building an Inclusive India”

I. Introduction:

Financial Inclusion today has become the national objective. It has become the priority of every Banker. As a responsible stakeholder it is upon us to enable efficient payment mechanisms, ensure equitable access to economic opportunities, thereby contributing to poverty alleviation. With the objective of inclusive growth and systematic development among the masses, the Bank has focused its Financial Inclusion Strategy based on the Financial Inclusion Ecosystem which comprises of Technology, Business Correspondents, Products and Manpower to deliver the banking products at the door-step of the excluded. The Bank has leveraged Information and Communication Technology along with the Business Correspondents (BC) Model to extend banking products to the people at the last mile. The most important link in the ecosystem is manpower, unless trained manpower is available the success of financial inclusion may not be achieved. Trained manpower is the most important element for the last mile delivery of financial products to the excluded. Therefore, the Bank as part of Financial Inclusion initiatives has designed a customized and comprehensive training programme named – **“Building an Inclusive India”** for the Business Correspondents (specifically the field BCs) , Bank Staff at Rural branches, Lead District Managers and other concerned entities.

II. Training Plans for BCs

Currently (as on 31st August 2010), our Bank has appointed 591 BCs in places where we have already implemented Financial Inclusion Projects. As per our FIP submitted to RBI, a total of 12, 100 BCs are to be appointed upto the year ending 2012-13. Therefore, the Bank plans to implement a continuous innovative training methodology for the BCs so that Financial Inclusion initiatives taken up by the Bank is fruitful for the masses at large.

(a.) The Key Areas for Training

As per our experience, it is observed that the field BCs should be conversant in the following areas and require training on the same:

- 1) Conducting survey of the villages/households
- 2) Formulating customized credit plan for the customers
- 3) Documenting which includes enrollment of customers and filling up of the forms
- 4) Use of technology i.e use of laptop, web camera, finger print scanner and hand held devices for carrying out the transactions
- 5) Knowledge of the various financial products offered through them
- 6) Spreading knowledge about the various products of the Bank
- 7) Knowledge of Cash Handling
- 8) Debt management advising skills
- 9) Addressing and handling of customers grievances

(b.) The Present Training Methodology`

Presently, the Bank appoints Section 25 Companies and leading MFIs/Societies as BCs. The field BCs (FBCs) are appointed jointly by the BC company and the bank. These FBCs are imparted training on the above aspects jointly by a team of Bank officials and the representatives of Technology Providers and the Sec 25 Company i.e BC company.

The officials of the Base branch provides regular inputs/guidance to the FBCs through interactions when they visit the base branch for settlement of transactions.

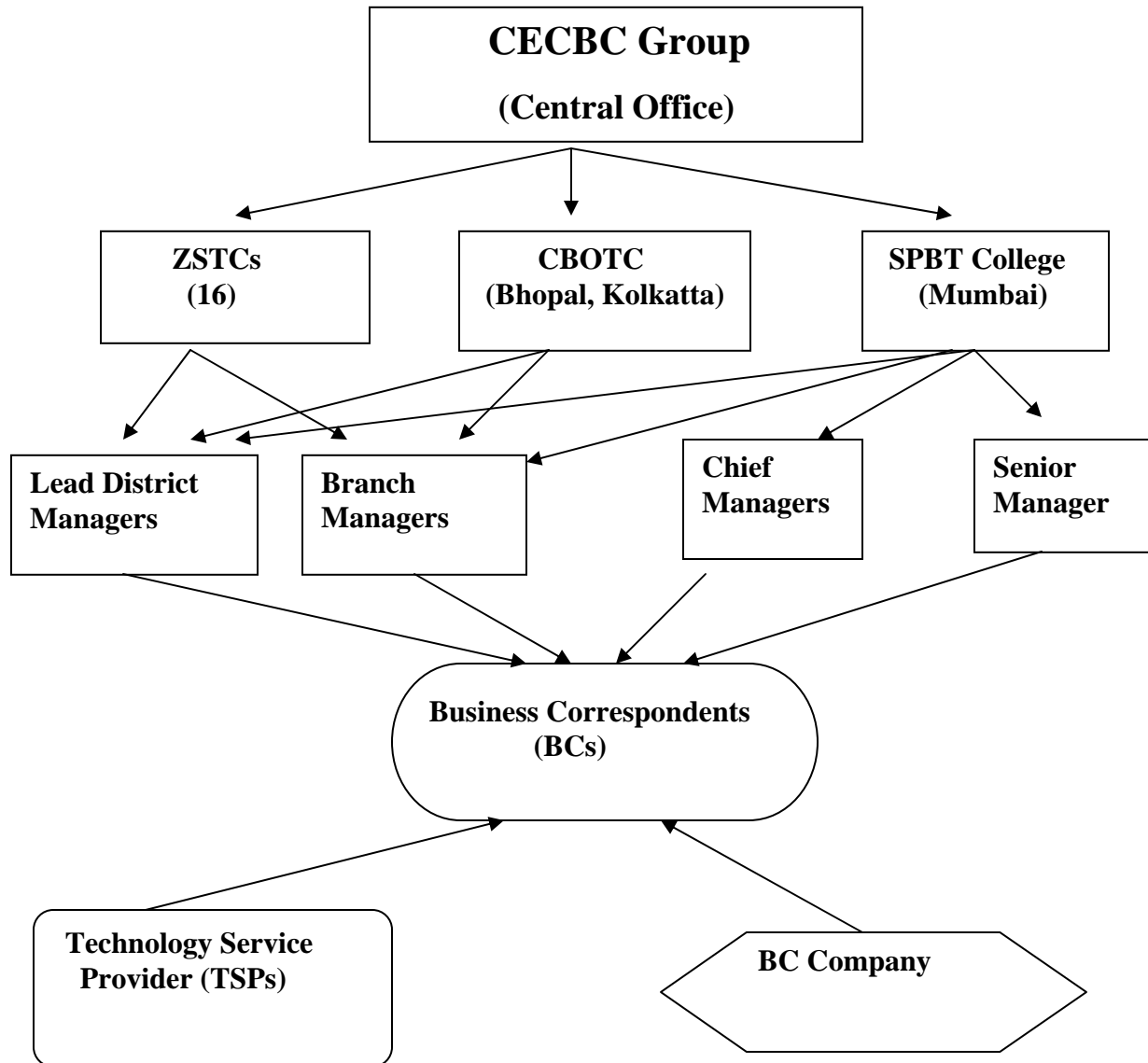
FBCs are also provided with the list of Do's and Don't's .

(c.) The Future Training Approach

- 1) To formulate a comprehensive training programme emphasizing on "Train the Trainer"concept.
- 2) To constitute a Channel Empowerment and Capacity Building Core Group (CECBC Group) with the purpose of continuously studying and designing the structured programmes and training materials depending on the needs.
- 3) CECBC Group to train the Field trainers who in turn impart training to the FBCs.
- 4) To have an incentive based certification exams and to conduct the same for FBCs.
- 5) To provide List of DO's and DON'T's to all FBCs and keep it regularly updated.
- 6) To explore distance/correspondence training programmes for FBC.
- 7) To utilize the Bank's RUDSETIs for training of FBCs on specialized credit related courses.
- 8) To incentivise FBCs undertaking the IIBF certification course by way of higher Compensation.
- 9) To engage reputed institutions for training of members of CECBC Group, Field Trainers and BCs.
- 9) To engage NABARD and other institutions for specialized functional training for specific FBCs based on their performance

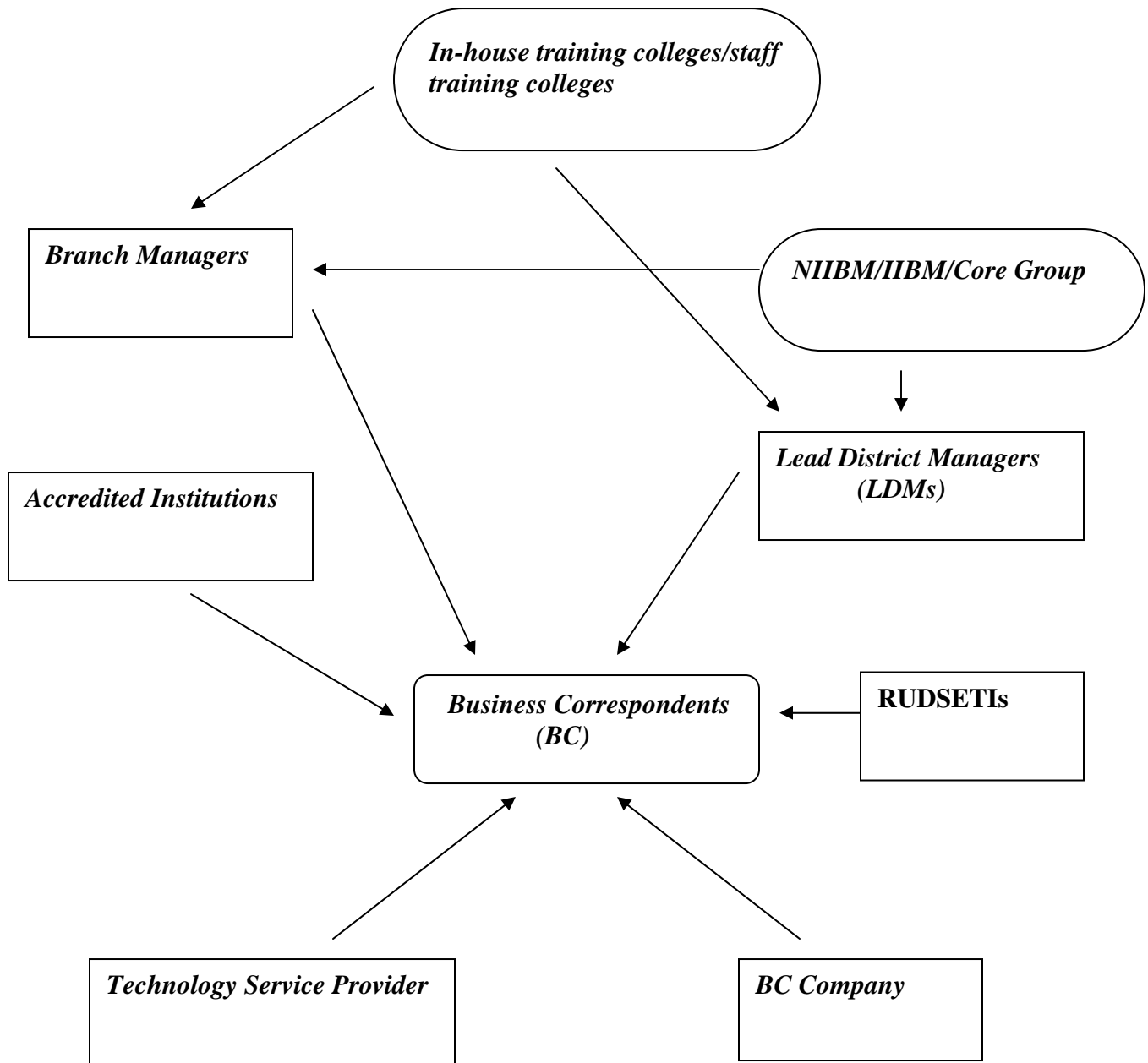
III. The Comprehensive Training Programme

Phase I



The comprehensive training programme shall lay emphasis on Train the Trainer's concept. It shall be the responsibility of the Core Group (CECBC Group) of Central Office to provide training to the trainers of the 16 Zonal Training Colleges, CBOTCs located in Bhopal and Kolkatta and SPBT College at Mumbai. These trainers shall further train the Zonal Coordinators, Lead District Managers, Branch Managers and other Staff looking into Financial Inclusion. They shall in turn train and guide the BCs when appointed. The BCs shall also be trained by the Technology Service Provider and the BC Company. As we go ahead and appoint more and more BCs we shall bring in other entities i.e third party / professional trainers for the same.

Phase II



After the FBCs are appointed, the following training programme is to be conducted :

- 1) Central Office staff shall provide a two day location training programme to the Lead District Managers (LDMs) and Branch Managers on the nitty-gritty of Financial Inclusion. The training module shall include the following:
 - a) Introduction to Financial Inclusion
 - b) Introduction to BC Model
 - c) Role of Business Correspondents (BC) and Business Facilitators (BF)
 - d) Eligibility Criteria for Selection of BC/BF
 - e) Due Diligence in selection of BC/BF
 - f) Risks faced by the Bank in working with BC/BF
 - g) Observance of KYC
 - h) Role of LDMs and Zonal Managers
 - i) Deployment of Technology
 - j) Approaches and Processes
 - k) Accounting Procedure
 - l) Monitoring Cash Management
 - m) Complaint handling and grievances redressal

- 2) The LDMs and Branch Manager inturn shall conduct a two day location workshop for the BCs/FBCs on appointment. The induction training module shall cover the following :
 - a) Introduction to Banking Services
 - General Banking Including Deposits
 - Principles of Lending with special reference to Rural and Retail Lending
 - b) Introduction to Financial Inclusion
 - c) Role of Business Correspondents and Business Facilitators
 - d) Brief Profile of the Bank
 - e) Details of Banks Product including Bank's Deposits and Priority Sector advances products/schemes
 - f) Filling up of Application Forms (incl. KYC guidelines)
 - g) Reconciliation and preparation of daily reports
 - h) Cash Handling and Security Measures
 - i) Introduction to Soft Skills such as communication and handling of queries of the customers
 - j) Topics to be covered for disseminating financial literacy among the masses during awareness camps**.

****Topics to be covered during the Financial Awareness Camps:**

- (i) Smart Savings
 - How to Save
 - Need & importance to Save
 - Concepts in savings
 - Power of compounding
 - Wise Spending

- (ii) Matured/Productive Borrowings
 - When, How and Why we borrow from whom
 - Pre-post borrowing factors
 - Options available for borrowing
 - Maximum debt one should take

- (iii) Intelligent Investments and Budgeting
 - Meaning of Investment
 - Attributes of investment
 - Financial Budgeting
 - Mitigating Risk
 - Financial Independence

3) The Bank's RUDSETI's shall be utilized to train the BCs to provide financial planning for the customers. The following aspects shall be dealt by the RUDSETI's in its three day training programme:

- a) The methodology to fill up the survey forms
- b) The methodology to be adopted for formulation of credit plan for the customers.
- c) The ways and means for rehabilitation of the indebted borrowers etc.

The BCs are to be trained in such manner that they become trained efficient Financial Planners for their customers. In places where our Bank does not have its own RUDSETIs tie-arrangement is to be done with the RUDSETIs of other Banks.

4) The Technology Service Provider shall provide a two days training programme to the BCs on the following aspects :

- a. Use of the hand-held devices
- b. Arranging of campaigns for spreading Financial Awareness

Methodology of conducting Financial Awareness Camps:

- i Village level meetings shall be organized village-wise where ITeFI is to be implemented.
- ii In such meetings the villagers shall be acquainted with the BCs of their villages. They shall be made aware of the role of the BC in handling their banking operations.
- iii Banking operations with the hand-held devices shall be demonstrated
- iv Villagers shall be made educated on the above mentioned topics**
- v Villagers shall be made aware of the products and services which shall be available under the programme.
- vi The camp shall be held by displaying of Banners, distributing Pamphlets, showing audio-visuals, conducting Munadis etc.

- 5) The LDM shall provide a day's location training cum awareness programme to the BCs (w.r.t the monitoring aspect).

In addition to the above, one session on Financial Inclusion shall be included in each programme conducted at SPBT, CBOTC and the training centers. Special Training Programme for Branch Managers/Regional Managers/Zonal Coordinators/Lead District Managers at SPBT/CBOTC. Similar training programmes shall be conducted in various locations in phases as and when the need arises.